Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Message Text

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PAGE 01 STATE 008873
ORIGIN XMB-04

INFO OCT-01 NEA-10 ISO-00 EB-07 COME-00 L-03 CIAE-00
INR-07 NSAE-00 AID-05 TRSE-00 OMB-01 /038 R

DRAFTED BY: XMB:GHENDERSON/MPH
APPROVED BY: EB/IFD/ODF:FHTHOMAS
XMB:GWBOGDANOFF
NEA/ARP:COCECIL
----------150902Z 053110 /16
R 141546Z JAN 77
FM SECSTATE WASHDC
TO AMEMBASSY JIDDA

UNCLAS STATE 008873

E.O. 11652: N/A

TAGS: EFIN, SA

SUBJ: LEBANON - BANK GUARANTEE CLAIM NO. BG-9406/OG-200-40
FCIA CLAIM NO. MP-195/MT-10212

1. BUYER: UNITED ENGINEERING CO., S.A.L., BEIRUT, LEBANON
U.S. BANK: BANK OF AMERICA, INTERNATIONAL, CHICAGO, IL.
EXPORTER: TRANE DISC., INC., LACROSSE, WISCONSIN

2. UNDER EXIMBANK BANK GUARANTEE PROGRAM, BANK OF AMERICA (B OF A) PURCHASED FROM TRANE A PROMISSORY NOTE DATED DECEMBER 10, 1974 IN THE AMOUNT OF $261,000 ISSUED BY UNITED ENGINEERING TO TRANE COVERING THE SALE OF AIR CONDITIONING EQUIPMENT. THIS NOTE IS GUARANTEED BY MESSRS. VICTOR KANO AND RAJA FAWAZ. THE PRESENT PRINCIPAL BALANCE IS $217,500.00.

3. UNDER THE FCIA PROGRAM, THE INSURED, B OF A, PURCHASED FROM TRANE ANOTHER NOTE DATED APRIL 10, 1973 IN THE AMOUNT OF $270,000.00 ISSUED BY UNITED ENGINEERING TO TRANE COVERING
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THE SALE OF OTHER AIR CONDITIONING UNITS. MESSRS. KANO AND FAWAZ ARE ALSO GUARANTORS ON THIS NOTE. THE PRESENT PRINCIPAL BALANCE IS $90,000.00.

4. IN ADDITION TO 2 AND 3 ABOVE, TRANE SHIPPED, AT ITS OWN RISK, WITHOUT FCIA INSURANCE OR EXIMBANK GUARANTEE, ADDITIONAL UNITS TO UNITED ENGINEERING ON SHORT TERMS.

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5. TRANE ALSO SOLD UNITS TO HAJI ABDULLAH ALIREZA & CO., LTD., JEDDAH, SAUDI ARABIA (ALIREZA). THIS COMPANY IS A JOINT VENTURE IN WHICH MESSRS. KANO AND FAWAZ ARE PRINCIPALS. ALIREZA WAS DUE COMMISSIONS (APPROX. $300,000) BY TRANE FOR THESE SALES.

6. TRANE, WITHOUT DIRECTION FROM ALIREZA, HAS CHARGED THE ALIREZA COMMISSIONS ACCOUNT AND CREDITED THE ENTIRE AMOUNT TO ITS UNINSURED SALES TO UNITED ENGINEERING. WHILE TRANE RETIRED ITS UNINSURED DEBT, NO REDUCTION WAS MADE ON THE NOTES WHICH B OF A IS HOLDING. THESE NOTES (2 AND 3 ABOVE) ARE IN DEFAULT AND NONPAYMENT BY UNITED ENGINEERING AND/OR THE GUARANTORS MAY RESULT IN EXIMBANK PAYING CLAIMS IN EXCESS OF US 300,000 DOLLARS.

7. EXIMBANK WOULD APPRECIATE THE EMBASSY'S ASSISTANCE IN CONTACTING THE GUARANTORS AT ALIREZA AND OBTAINING THEIR AUTHORIZATION TO HAVE THE COMMISSSIONS ACCOUNT APPLIED AS PAYMENT FOR MONIES DUE B OF A UNDER THE REFERENCED TRANSACTIONS. EXIMBANK DESIRES THE AUTHORIZATION BE DIRECTED TO TRANE DISC., INC., LACROSSE, WISCONSIN, TELEX NO. 29-3415 WITH A COPY TO BANK OF AMERICA, INTERNATIONAL, CHICAGO, ILL. AND EXIMBANK. KISSINGER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SALES, DEBT REPAYMENTS, AIR CONDITIONERS
Control Number: n/a
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Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
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Drafter: XMB:GHENDERSON/MPH
Enclosure: n/a
Executive Order: N/A
Errors: N/A
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Format: TEL
From: STATE
Handling Restrictions: n/a
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Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
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Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3594541
Secure: OPEN
Status: NATIVE
Subject: LEBANON - BANK GUARANTEE CLAIM NO. BG-9406/OG-200-40 FCIA CLAIM NO. MP-195/MT-10212
TAGS: EFIN, US, SA, TRANE DISC INC, BANK OF AMERICA INTERNATIONAL, XMB, UNITED ENGINEERING CO S A L
To: JIDDA
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/723671d9-c288-dd11-92da-001cc4696bcc
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